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Intro to 2011 International Narcotics Control Strategy Report

Following is the text of the introduction to the U.S. Department of State's 2011 International Narcotics Control Strategy Report, which was issued to Congress on March 3, 2011. The full text of the report (<http://www.state.gov/p/inl/rls/nrcrpt/2011/index.htm>) is available on the U.S. Department of State website.

U.S. Department of State
Bureau of International Narcotics and Law Enforcement Affairs
Washington, DC
March 3, 2011

2011 International Narcotics Control Strategy Report (INCSR)

Introduction

Legislative Basis for the INCSR

The Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2011 INCSR, published in March 2011, covers the year January 1 to December 31, 2010 and is published in two volumes, the second of which covers money laundering and financial crimes. In addition to addressing the reporting requirements of section 489 of the FAA (as well as sections 481(d)(2) and 484(c) of the FAA and section 804 of the Narcotics Control Trade Act of 1974, as amended), the INCSR provides the factual basis for the designations contained in the President's report to Congress on the major drug-transit or major illicit drug producing countries initially set forth in section 591 of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) (the "FOAA"), and now made permanent pursuant to section 706 of the Foreign Relations Authorization Act, Fiscal Year 2003 (P.L. 107-228) (the "FRAA").

Section 706 of the FRAA requires that the President submit an annual report no later than September 15 identifying each country determined by the President to be a major drug-transit country or major illicit drug producing country. The President is also required in that report to identify any country on the majors list that has "failed demonstrably . . . to make substantial efforts" during the previous 12 months to adhere to international counternarcotics agreements and to take certain counternarcotics measures set forth in U.S. law. U.S. assistance under the current foreign operations appropriations act may not be provided to any country

designated as having "failed demonstrably" unless the President determines that the provision of such assistance is vital to U.S. national interests or that the country, at any time after the President's initial report to Congress, has made "substantial efforts" to comply with the counternarcotics conditions in the legislation. This prohibition does not affect humanitarian, counternarcotics, and certain other types of assistance that are authorized to be provided notwithstanding any other provision of law.

The FAA requires a report on the extent to which each country or entity that received assistance under chapter 8 of Part I of the Foreign Assistance Act in the past two fiscal years has "met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (the "1988 UN Drug Convention"). FAA § 489(a)(1)(A).

Several years ago, pursuant to The Combat Methamphetamine Enforcement Act (CMEA) (The USA Patriot Improvement and Reauthorization Act 2005, Title VII, P.L. 109-177), amending sections 489 and 490 of the Foreign Assistance Act (22 USC 2291h and 2291) section 722, the INCSR was expanded to include reporting on the five countries that export the largest amounts of methamphetamine precursor chemicals, as well as the five countries importing the largest amounts of these chemicals and which have the highest rate of diversion of the chemicals for methamphetamine production. This expanded reporting, which also appears in this year's INCSR and will appear in each subsequent annual INCSR report, also includes additional information on efforts to control methamphetamine precursor chemicals, as well as estimates of legitimate demand for these methamphetamine precursors, prepared by most parties to the 1988 UN Drug Convention and submitted to the International Narcotics Control Board. The CMEA also requires a Presidential determination by March 1 of each year on whether the five countries that legally exported and the five countries that legally imported the largest amount of precursor chemicals (under FAA section 490) have cooperated with the United States to prevent these substances from being used to produce methamphetamine or have taken adequate steps on their own to achieve full compliance with the 1988 UN Drug Control Convention. This determination may be exercised by the Secretary of State pursuant to Executive Order 12163 and by the Deputy Secretary of State pursuant to State Department Delegation of Authority 245.

Although the Convention does not contain a list of goals and objectives, it does set forth a number of obligations that the parties agree to undertake. Generally speaking, it requires the parties to take legal measures to outlaw and punish all forms of illicit drug production, trafficking, and drug money laundering, to control chemicals that can be

used to process illicit drugs, and to cooperate in international efforts to these ends. The statute lists actions by foreign countries on the following issues as relevant to evaluating performance under the 1988 UN Drug Convention: illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction.

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2011 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. The reports vary in the extent of their coverage. For key drug-control countries, where considerable information is available, we have provided comprehensive reports. For some smaller countries or entities where only limited information is available, we have included whatever data the responsible post could provide.

The country chapters report upon actions taken - including plans, programs, and, where applicable, timetables - toward fulfillment of Convention obligations. Because the 1988 UN Drug Convention's subject matter is so broad and availability of information on elements related to performance under the Convention varies widely within and among countries, the Department's views on the extent to which a given country or entity is meeting the goals and objectives of the Convention are based on the overall response of the country or entity to those goals and objectives. Reports will often include discussion of foreign legal and regulatory structures. Although the Department strives to provide accurate information, this report should not be used as the basis for determining legal rights or obligations under U.S. or foreign law.

Some countries and other entities are not yet parties to the 1988 UN Drug Convention; some do not have status in the United Nations and cannot become parties. For such countries or entities, we have nonetheless considered actions taken by those countries or entities in areas covered by the Convention as well as plans (if any) for becoming parties and for bringing their legislation into conformity with the Convention's requirements. Other countries have taken reservations, declarations, or understandings to the 1988 UN Drug Convention or other relevant treaties; such reservations, declarations, or understandings are generally not detailed in this report. For some of the smallest countries or entities that have not been designated by the President as major illicit drug

producing or major drug-transit countries, the Department has insufficient information to make a judgment as to whether the goals and objectives of the Convention are being met. Unless otherwise noted in the relevant country chapters, the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) considers all countries and other entities with which the United States has bilateral narcotics agreements to be meeting the goals and objectives of those agreements.

Information concerning counternarcotics assistance is provided, pursuant to section 489(b) of the FAA, in section entitled "U.S. Government Assistance."

Major Illicit Drug Producing, Drug-Transit, Significant Source, Precursor Chemical, and Money Laundering Countries

Section 489(a)(3) of the FAA requires the INCSR to identify:

- (A) major illicit drug producing and major drug-transit countries;
- (B) major sources of precursor chemicals used in the production of illicit narcotics; or
- (C) major money laundering countries.

These countries are identified below.

Major Illicit Drug Producing and Major Drug-Transit Countries

A major illicit drug producing country is one in which:

- (A) 1,000 hectares or more of illicit opium poppy is cultivated or harvested during a year;
- (B) 1,000 hectares or more of illicit coca is cultivated or harvested during a year; or
- (C) 5,000 hectares or more of illicit cannabis is cultivated or harvested during a year, unless the President determines that such illicit cannabis production does not significantly affect the United States. FAA § 481(e)(2).

A major drug-transit country is one:

- (A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or
- (B) through which are transported such drugs or substances. FAA § 481(e)(5).

The following major illicit drug producing and/or drug-transit countries were identified and notified to Congress

by the President on September 15, 2010, consistent with section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228):

Afghanistan, The Bahamas, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.

Of these 20 countries, Burma, Bolivia, and Venezuela were designated by the President as having “failed demonstrably” during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. The President determined, however, in accordance with provisions of Section 706(3)(A) of the FRAA, that continued support for bilateral programs in Bolivia and limited programs in Venezuela are vital to the national interests of the United States.

Major Precursor Chemical Source Countries

The following countries and jurisdictions have been identified to be major sources of precursor or essential chemicals used in the production of illicit narcotics:

Argentina, Brazil, Canada, Chile, China, Germany, India, Mexico, the Netherlands, Singapore, South Korea, Taiwan, Thailand, the United Kingdom, and the United States.

Information is provided pursuant to section 489 of the FAA in the section entitled “Chemical Controls.”

Major Money Laundering Countries

A major money laundering country is defined by statute as one “whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking.” FAA § 481(e)(7). However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. This year’s list of major money laundering countries recognizes this relationship by including all countries and other jurisdictions, whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. The following countries/jurisdictions have been identified this year in this category:

Afghanistan, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Bolivia, Brazil, British Virgin Islands, Burma, Cambodia, Canada, Cayman Islands, China,

Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Guinea-Bissau, Haiti, Hong Kong, India, Indonesia, Iran, Iraq, Isle of Man, Israel, Italy, Japan, Jersey, Kenya, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Somalia, Spain, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, and Zimbabwe.

Further information on these countries/jurisdictions and United States money laundering policies, as required by section 489 of the FAA, is set forth in Volume II of the INCSR in the section entitled “Money Laundering and Financial Crimes.”

Presidents Obama and Calderón Pledge to Work to Thwart Drug Trafficking

By Merle David Kellerhals Jr.
Staff Writer

Washington — President Obama and Mexican President Felipe Calderón pledged to work more closely to thwart illegal drug trafficking and its related violence, and also announced a breakthrough on cross-border long-haul trucking.

Obama said the United States and Mexico are deepening cooperation against drug cartels that have threatened both sides of the nations’ border. His statement comes as drug-related violence along border areas has increased dramatically.

“As I’ve said before, President Calderón and the Mexican people have shown extraordinary courage in the fight for their country,” Obama said at a joint press conference March 3 at the White House. “Tens of thousands of Mexicans, innocent citizens and dedicated security forces, have lost their lives.”

Obama said that he reaffirmed to Calderón, during nearly three hours of meetings and a working lunch, that the United States is a full partner with Mexico in the struggle to stop drug cartels and drug-related violence.

“Whether they live in Texas or Tijuana, our people have a right to be safe in their communities,” Obama said.

The president said the United States will speed up the delivery of equipment and training for Mexican law enforcement agencies. Obama said that as Mexico clamps down on money laundering by the drug cartels, the United States will increase pressure on cartels and their finances in the United States.

The president also thanked Mexican authorities for their

close cooperation following the murder of U.S. Immigration and Customs Enforcement Special Agent Jaime Zapata. Zapata was killed February 15 in northern Mexico with a firearm that came from the United States.

"His death must urge us to continue to work together so as to ensure a prosperous and peaceful future for our region," Calderón told reporters. He said Mexican authorities have arrested the individual suspected in Zapata's death and members of his gang.

Obama said the United States accepts its shared responsibility for the drug violence. "So to combat the southbound flow of guns and money, we are screening all southbound rail cargo, seizing many more guns bound for Mexico, and we are putting more gunrunners behind bars," he said.

And the United States, as part of its drug-control strategy, is reducing demand for illegal drugs through education, prevention and treatment programs, Obama said.

Obama also said that during their talks at the White House he was receiving insights from Calderón in preparation for a three-country visit to South America later in March. Obama visits Brazil, Chile and El Salvador March 19-23.

The two leaders announced that they have agreed to a phased-in program that will be built on "the highest safety standards" to permit U.S. and Mexican long-haul truckers to conduct cross-border operations under the North American Free Trade Agreement (NAFTA). Mexico agreed to suspend its retaliatory tariffs in stages once a final agreement is negotiated, beginning with reducing tariffs by 50 percent at the signing of an agreement. It will suspend the final 50 percent when the first Mexican carrier is granted operating authority, the White House said in a statement.

"I look forward to consulting with Congress and moving forward in a way that strengthens the safety of cross-border trucking, lift tariffs on billions of dollars of U.S. goods, expands our exports to Mexico and creates jobs on both sides of the border," Obama said.

Negotiating teams are working out the details of the cross-border trucking plan and expect to send it to Congress later in the spring.

Secretary Clinton Urges Negotiators to Adopt Nuclear Materials Treaty

By Merle David Kellerhals Jr.
Staff Writer

Washington — Secretary of State Hillary Rodham Clinton called for the Conference on Disarmament to move ahead

quickly on a proposed treaty that would ban the production of nuclear-weapons-usable fissile materials.

"Halting production is in the interest of every country, and I urge this conference to end the stalemate and open negotiations on a Fissile Material Cutoff Treaty without further delay," Clinton said in a speech before the 65-nation, Geneva-based conference February 28.

"The United States is deeply committed to reducing nuclear weapons and the risk of nuclear proliferation. Our long-term goal, our vision, is a world without nuclear weapons," Clinton said.

President Obama announced during a speech in Prague April 5, 2009, that he would work to rid the world of nuclear weapons. Since then the United States has redefined its use of nuclear weapons in its national defense; convened a 47-nation Nuclear Security Summit in Washington and agreed to lock down vulnerable nuclear materials over a four-year period; ratified the U.S.-Russia arms cut treaty (New START) to reduce nuclear arsenals to their lowest levels since the 1950s; and joined with other member nations in the Nuclear Non-proliferation Treaty to strengthen one of the world's oldest nonproliferation initiatives.

"We should continue to advance nuclear security by turning now to the negotiation of a verifiable ban on fissile-material production for bombs," Clinton said.

The fissile material treaty was first proposed in 1993 by then-President Bill Clinton in an address to the U.N. General Assembly. According to the Federation of American Scientists, the treaty "would strengthen nuclear nonproliferation norms by adding a binding international commitment to existing constraints on nuclear-weapons-usable fissile material."

Fissile materials used in nuclear bomb production include highly enriched uranium and plutonium. The proposed treaty, which has been under discussion at the Conference on Disarmament, would prohibit further production of these materials for nuclear weapons and other explosive devices.

A concern of the United States and most other nations is that nuclear bomb-making materials could fall into the hands of terrorist groups or extremists, threatening regional and global security.

"If we are serious about reducing the possibility that fissile material could fall into terrorists' hands, then we must reduce the amount of such material that is available," Clinton told the delegates. "For that reason, the United States also supports reducing stocks of separated plutonium and highly enriched uranium and

minimizing the future use of highly enriched uranium for civilian purposes.”

Clinton said the United States and Russia have made significant progress toward those goals, and will continue to make them a focus of U.S. nuclear diplomacy.

U.N. Secretary-General Ban Ki-moon encouraged the conference on February 24 to “move ahead vigorously” on the fissile material treaty or risk slipping into irrelevance. Work has been stalled at the conference on the treaty because of objections by one or more nations over terms contained in the treaty.

The 65-member Conference on Disarmament was established in 1979 to focus on the cessation of the nuclear arms race and promote nuclear weapons disarmament, prevention of nuclear war, and the prevention of a nuclear arms race in space.

U.S., Partners Airlift People Fleeing Libyan Violence

By Charlene Porter
Staff Writer

Washington — The United States is boosting its effort to help people displaced from Libya find their way home. President Obama announced March 3 that U.S. planes will fly Egyptian citizens home from Tunisia, where they fled to escape weeks of violence in neighboring Libya.

“I’ve authorized [the U.S. Agency for International Development] to charter additional civilian aircraft to help people from other countries find their way home,” Obama said. “And we’re supporting the efforts of international organizations to evacuate people as well.”

Obama made the announcement as an internationally backed airlift began, with more than 50 flights carrying migrant workers home. At the same time, a tent city sprang up in Tunisia’s barren borderlands as relief agencies worked to provide shelter for tens of thousands fleeing unrest in Libya.

Egypt, France, Italy and the United Kingdom all contributed to the airlift, working with the U.N. High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM). Earlier in the week, UNHCR implored the international community to provide more transportation home for an estimated 180,000 foreign workers who feel threatened in Libya and want to leave.

Obama emphasized the ongoing U.S. commitment to that effort, but also underscored what must be the final outcome to this mounting crisis.

“The violence must stop. Muammar Qadhafi has lost

legitimacy to lead, and he must leave,” Obama said.

Tunisian, Egyptian and foreign workers from sub-Saharan Africa and East Asia are dashing to borders on both the east and west of Libya, fleeing a three-week rebellion that has met violent retaliation from the Qadhafi government.

IOM began overland evacuations of migrants out of the Libyan port city of Benghazi on March 3. The first evacuees were about 200 migrants, described by IOM as women, children and those in need of medical assistance.

IOM estimates some 5,500 foreign workers remain in Benghazi alone, with perhaps thousands more elsewhere in Libya, fearful they may be targeted if they attempt to reach the border for evacuation to their home countries.

The U.N. General Assembly voted March 1 to suspend Libya from the Human Rights Council because of the government’s retaliatory actions. After the vote, U.S. Secretary of State Hillary Clinton said, “The international community is speaking with one voice and our message is unmistakable: These violations of universal rights are unacceptable and will not be tolerated.”

The U.S. State Department’s Bureau of Population, Refugees and Migration has contributed \$2 million to the IOM assistance efforts. The U.S. Agency for International Development has pledged \$10 million to assist the victims of the violence and the United Nations is tapping its Central Emergency Response Fund for \$5 million to scale up humanitarian efforts on the Libyan-Tunisian border.

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